

Ms. Linda Holtzscheiter, Reimbursement Manager
Mariner Post-Acute Network
15415 Katy Freeway, Suite 800
Houston, Texas 77094

Re: AC# 3-BCC-J4 – Brian Center of Central Columbia, Inc. d/b/a Brian Center
Nursing Care/Columbia

Dear Ms. Holtzscheiter:

The accompanying report has been prepared by our office based on your Medicaid Financial and Statistical Report submitted to the Department of Health and Human Services for the cost report period October 1, 1993 through September 30, 1994. That report was used to set the rate covering the contract periods beginning October 1, 1995.

We are recommending that the Department of Health and Human Services certify an accounts receivable to recover amounts due as a result of the rate change shown on Exhibit A. You will be notified of repayment terms by that Agency.

If you take exception to this report in any manner, you have the right to appeal in accordance with the Code of Laws of South Carolina, 1976 as amended, Title 44, and Department of Health and Human Services Regulation R.126-150, and you must respond in writing within thirty (30) calendar days of the date of this letter. This written response must address the specific items in the report being appealed, and must be directed to the Appeals and Hearings, Department of Health and Human Services, Post Office Box 8206, Columbia, South Carolina 29202-8206. Any correspondence should include the control number appearing on Exhibit A of this report.

Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/cwc

cc: Ms. Brenda L. Hyleman
Mr. Jeff Saxon
Mr. Mac Carroll

**BRIAN CENTER OF CENTRAL COLUMBIA, INC.
D/B/A BRIAN CENTER NURSING CARE/COLUMBIA**

COLUMBIA, SOUTH CAROLINA

**CONTRACT PERIODS
BEGINNING OCTOBER 1, 1995
AC# 3-BCC-J4**

**REPORT ON CONTRACT
FOR
PURCHASE OF NURSING CARE SERVICES
WITH
STATE OF SOUTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

February 19, 1999

Department of Health and Human Services
State of South Carolina
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Department of Health and Human Services, solely to compute the rate change and related adjusted reimbursement rate to be used by the Department in determining the reimbursement settlement with Brian Center of Central Columbia, Inc. d/b/a Brian Center Nursing Care/Columbia, for the contract periods beginning October 1, 1995 and for the twelve month cost report period ended September 30, 1994, as set forth in the accompanying schedules. This engagement to apply agreed-upon procedures was performed in accordance with the standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Department of Health and Human Services. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. We tested selected costs or areas based on our analytical procedures applied to the reimbursable Medicaid program costs as shown on the Financial and Statistical Report for Nursing Homes, as filed by Brian Center of Central Columbia, Inc. d/b/a Brian Center Nursing Care/Columbia, to determine if these costs were allowable as defined by the State Plan for Medicaid reimbursement purposes and supported by accounting and statistical records maintained by the provider. Our findings as a result of these procedures are presented in the Adjustment Report and Summary of Costs and Total Patient Days sections of this report.
2. We recomputed the Computation of Reimbursement Rate using the adjusted costs and calculated the rate change in accordance with the provisions of the contract between the Department of Health and Human Services and Brian Center of Central Columbia, Inc. d/b/a Brian Center Nursing Care/Columbia dated as of October 1, 1994 as amended. Our findings as a result of these procedures are presented in the Computation of Rate Change and Computation of Adjusted Reimbursement Rate sections of this report.

Department of Health and Human Services
State of South Carolina
February 19, 1999

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the South Carolina Department of Health and Human Services and is not intended to be and should not be used by anyone other than the specified party.

Thomas L. Wagner, Jr., CPA
State Auditor

BRIAN CENTER NURSING CARE/COLUMBIA

Computation of Rate Change
For the Contract Periods
Beginning October 1, 1995
AC# 3-BCC-J4

10/01/95-
09/30/96

Interim reimbursement rate (1)	\$79.65
Adjusted reimbursement rate	<u>79.35</u>
Decrease in reimbursement rate	\$ <u><u>.30</u></u>

(1) Interim reimbursement rate from the South Carolina Medicaid Management Information System (MMIS) Provider Rate Listing dated December 8, 1998

BRIAN CENTER NURSING CARE/COLUMBIA
Computation of Adjusted Reimbursement Rate
For the Contract Periods October 1, 1995 Through September 30, 1996
AC# 3-BCC-J4

	<u>Profit Incentive</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services	\$.29	\$40.84	\$41.13	\$40.84
Dietary	<u>.18</u>	<u>8.35</u>	<u>8.53</u>	<u>8.35</u>
Subtotal	\$ <u>.47</u>	49.19	49.66	49.19
Laundry/Housekeeping/Maint.	\$ -	8.59	7.17	7.17
Administration & Med. Rec.	<u>2.45</u>	<u>5.41</u>	<u>7.86</u>	<u>5.41</u>
Subtotal	\$ <u>2.45</u>	63.19	\$ <u>64.69</u>	61.77
<u>Costs Not Subject to Standards:</u>				
Utilities		1.78		1.78
Special Services		.56		.56
Medical Supplies & Oxygen		2.67		2.67
Taxes and Insurance		.91		.91
Legal Fees		<u>.02</u>		<u>.02</u>
TOTAL		\$ <u>69.13</u>		67.71
Inflation Factor (6.30%)				4.27
Cost of Capital				6.25
Cost of Capital Limitation				(.38)
Profit Incentive (Max. 3.5% of Allowable Cost)				2.42
Cost Incentive - For Gen. Services & Dietary				.47
Effect of \$1.50 Cap on Cost/Profit Incentives and Cost Sharing				(<u>1.39</u>)
ADJUSTED REIMBURSEMENT RATE				\$ <u>79.35</u>

BRIAN CENTER NURSING CARE/COLUMBIA
Summary of Costs and Total Patient Days
For the Cost Report Period Ended September 30, 1994
AC# 3-BCC-J4

<u>EXPENSES</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
General Services	\$3,827,733	\$ -	\$111,417 (1)	\$3,716,316
Dietary	760,038	-	-	760,038
Laundry	198,135	-	-	198,135
Housekeeping	249,553	-	-	249,553
Maintenance	333,643	-	-	333,643
Administration & Medical Records	492,517	-	-	492,517
Utilities	161,867	-	-	161,867
Special Services	50,948	-	-	50,948
Medical Supplies & Oxygen	242,508	-	-	242,508
Taxes & Insurance	82,520	-	-	82,520
Legal Fees	2,032	-	-	2,032
Cost of Capital	<u>569,096</u>	<u>-</u>	<u>-</u>	<u>569,096</u>
Subtotal	6,970,590	-	111,417	6,859,173
Ancillary	189,813	-	-	189,813
Non-Allowable	<u>844,859</u>	<u>-</u>	<u>-</u>	<u>844,859</u>
Total Operating Expenses	<u>\$8,005,262</u>	<u>\$ -</u>	<u>\$111,417</u>	<u>\$7,893,845</u>
TOTAL PATIENT DAYS	<u>*90,991</u>	<u>-</u>	<u>-</u>	<u>90,991</u>

*Adjusted to 97% Occupancy

TOTAL BEDS 257

BRIAN CENTER NURSING CARE/COLUMBIA
Adjustment Report
Cost Report Period Ended September 30, 1994
AC# 3-BCC-J4

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
1	Bed Hold Revenue Nursing	\$111,417	\$111,417
	To properly offset revenue against related expense HIM-15-1, Sections 2105.3 and 2328	_____	_____
	TOTAL ADJUSTMENTS	<u>\$111,417</u>	<u>\$111,417</u>

Due to the nature of compliance reporting, adjustment descriptions and references contained in the preceding Adjustment Report are provided for general guidance only and are not intended to be all-inclusive.